

MINUTES
INITIAL BOARD OF DIRECTORS OF THE
UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

(Note: This was an informal meeting of the Board of Directors until it becomes operational under the Utah Insurance Code at which time the Board intends to formally and legally ratify the actions taken.)

Board Members Present:

Commissioner Tom Hatch, President
Commissioner Scott Hirschi, Vice President
Commissioner Dixie Thompson, Secretary
Dennis Ewing, Comptroller
Commissioner Leonard Blackham
Commissioner Ken Brown
Sheriff Sid Groll
Jerry Hess, Deputy Davis County Attorney

Staff Present:

Jay Odice, RBH
Jess Hurtado, RBH
L. Brent Gardner, UAC

Board Members Absent:

Commissioner Gary Herbert

The meeting was called to order. Nominations were taken for officers of the Initial Board of Directors.

Leonard Blackham made the motion that Tom Hatch serve as President and Scott Hirschi serve as Vice President of the Board due to their positions on the UAC Multiline Advisory Committee. Seconded by Dixie Thompson. Motion passed unanimously.

Leonard made a motion that Dixie Thompson serve as Secretary. Seconded by Dennis Ewing. Motion passed unanimously.

Dixie made a motion that Dennis Ewing serve as Comptroller. Seconded by Leonard Blackham. Motion passed unanimously.

Tom asked Brent Gardner to review a list of actions outlined by Susan Griffiths, legal counsel for the Mutual, which the Board needs to take to proceed with the filing at the Insurance Department.

After discussing the first item relating to changes in the Bylaws, Leonard Blackham moved to approve Bylaws for the Mutual which are identical to the Bylaws approved by the member counties in their resolutions, with the following exceptions: Deletion of section 17.6 (providing that the Bylaws will be void on January 1, 1992, if the Mutual has not become operational by that date); deleting the introductory clause and replacing it with a clause which recognizes that the initial Bylaws are adopted by the Board and do not constitute an inter-governmental agreement, and that the initial Bylaws will be replaced with the Bylaws previously approved by the member counties effective upon adoption by each member of a resolution ratifying those approved Bylaws with the exception of section 17.6; and making corresponding changes throughout the initial Bylaws to reflect the above changes. Seconded. Motion passed unanimously.

Item two, the opening of bank accounts for deposit of the Mutual's funds. It was determined that two accounts would be sufficient at this time.

Leonard Blackham made a motion to open temporary accounts in the name of the Utah Association of Counties Insurance Mutual at First Security Bank as first choice, and Zions First National Bank as second choice. A second account for deposit of the surplus funds to be opened with the State Treasurer's Investment Pool. Motion passed unanimously.

Third item. Following a discussion of a resolution limiting the coverages of the Mutual the Board unanimously passed a motion by Ken Brown, seconded by Dixie, to approve Resolution No. One, Series of 1991, regarding Mutual coverages for 1992, including an attached Certificate of Participation.

The Subordinated Debenture Agreements were reviewed. The appropriate rate of interest to be paid by the Mutual was considered. Scott Hirschi moved to accept the Subordinated Debenture Agreements including all interest actually earned on the unpaid balance plus one percent (1%) annually of such unpaid balance. The Debenture Agreement for Garfield County to be signed by the Vice President. Seconded by Dennis Ewing. Motion passed unanimously.

Last item discussed was the contribution level for members of the Mutual. Jay explained the level should be established as the current verified premiums and losses paid by each member. That is what has been filed with the Insurance Department. Scott made the motion to set the contributions for 1991 on the current verified premiums paid plus expected losses on file with the State Insurance Department. Seconded by Ken Brown. Motion passed unanimously.

Jay explained that these actions are not binding until the Mutual receives its Certificate of Authority from the Insurance Department after which the Board will meet to ratify the actions taken today.

RESOLUTION NO. ONE, SERIES OF 1991

BOARD OF TRUSTEES

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

A RESOLUTION ESTABLISHING COVERAGES FOR THE 1992 COVERAGE PERIOD.

WHEREAS, the Board of Trustees (hereafter "**Board**") of the Utah Association of Counties Insurance Mutual (hereafter "**UAC Mutual**") wishes to establish the coverages to be provided its members for 1992;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UAC MUTUAL:

Section 1. Coverages to be provided to the members of the UAC Mutual for the period beginning January 1, 1992 through December 31, 1992 (hereafter "**coverage period**") shall be those coverages described in the excess policies issued to the UAC Mutual and any endorsements to such policies, summarized in Exhibit A (Certificate of Participation) attached hereto and incorporated by reference herein, subject to the same limits on liability and terms and conditions of those policies, and subject to any additional limits set forth in the Articles of Incorporation and Bylaws and Intergovernmental Agreement of the UAC Mutual, as from time to time amended, and actions taken by the UAC Mutual Board of Trustees pursuant to such Articles and Bylaws.

Section 2. For the coverages described in Section 1, the UAC Mutual shall be liable only for the self-insured retentions and only to a total annual aggregate for members of the UAC Mutual as a whole of \$850,000.00. The excess insurance shall be liable for the remaining described coverages; the UAC Mutual shall not be liable for any failure to pay or inability to pay by the excess insurers.

Section 3. Any loss of a member which exceeds the total per occurrence limits described in the excess policies or which exceeds the total annual aggregate limit of the UAC Mutual for the self-insured retention, plus available aggregate excess insurance as above described, is not covered by or through the UAC Mutual or its excess insurers.

Section 4. The coverages described herein are not intended to and do not waive any immunity granted to or maximum amount which may be recovered under Utah or other state or federal law, whether statutory or common law, against any member of the UAC Mutual or any officer, employee, servant or authorized volunteer or any such member.

Section 5. A copy of this Resolution shall be provided to each member of the UAC Mutual with Exhibit A and a copy of the excess policies mentioned herein.

Section 6. The Administrator of the UAC Mutual is hereby authorized to execute on behalf of the UAC Mutual any document, including policies, necessary or appropriate to implement the coverages described herein.

Adopted this ____ day of _____, 199__.

BOARD OF TRUSTEES OF THE UAC MUTUAL

By: _____

